

Ministry Paper 48 /2014

Agro Park Development Programme

1.0 Purpose

The matter for tabling is an update on initiatives being undertaken for the Agro Park Development Programme.

2.0 Background

An Agro Park is an area of intensive, contiguous, parcel of land for agricultural production which seeks to integrate all facets of the agricultural value chain from pre-production to production, post harvesting and marketing. All these activities are being executed by the Agro-invest Corporation (AIC) within the framework of a tripartite partnership involving the Government, the farmers/investors and marketing entities. The following are features of Agro-Parks:

- The requisite infrastructure and facilities
- An environment that supports integrated, sustainable agricultural production, processing and logistics
- Processes are integrated along a value chain in a deliberate way
- Partnerships involving Government, farmers/investors & marketing organizations

Agro-Parks are being strategically implemented across Jamaica to facilitate the following:

- Promotion of Public Private Partnership investments
- Promote efficiency in resource allocation and utilization - thus reduction in costs
- Improve economies of scale – e.g. in the procurement of goods and services
- Improved market access
- Promote and encourage sustainability
- Create long term and seasonal employment
- Create focal points for agricultural development

3.0 Operations of the Agro Parks

The Agro Park programme is being operationalized by the Agro-Investment Corporation (AIC) and has responsibility for:

- Selecting investors and executing leases. Farmers are selected competitively
- Installing the infrastructure and facilities on the parks
- Providing Park Managers and dedicated Extension Specialists
- Coordinating the provision of services to the Parks through government agencies/departments

Of the total of nine (9) Agro Parks targeted, 7 are currently being implemented. The other two agro parks will be implemented in the Financial Year 2014/2015.

Overall Impact

With these parks implemented, the overall impact is expected to be as follows:

- Over 5000 people will benefit directly and indirectly spanning investor/farmers and employees.
- 6,360 acres of under-utilized lands brought into agricultural production.
- Import substitution over 56,500 tons of produce normally imported, to be produced locally.
- Estimated J\$1.5B in private sector investment
- Estimated foreign exchange earnings/savings of up to J\$4.2B/ US 47M at the end of year 3.

4.0 Funding of Agro Parks

Infrastructure financing is being provided by the Government through the European Union/Sugar Transformation Unit Programme and the Inter-American Development Bank funded Agriculture Competitiveness Programme

- European Union through the Sugar Transformation Unit – J\$427M
- Inter-American Development Bank (IDB) through the ACP project – J\$620M
- Farmers/Investors are required to provide working capital either from their own resources or through loans
- Working capital is being provided by financial institutions
- Marketers will partner with AIC in building out packing facilities

5.0 Current Status of All Agro Parks

Consistent with the MOAF Strategic Business Plan, a total of 6,360 acres of land are targeted under the Agro Parks initiative over the duration of the Programme. Of this amount 4,939 acres are under the direct management of AIC while the remaining amount 1,421 acres is under the management of private investors. Of the 4,939 acres under AIC's management, 2,756 acres have been leased representing 55.8 percent. The remaining 44.2% is at different stages of lease agreement processing, awaiting full roll out infrastructure development.

The Agro-Parks that are currently in operation are:

- Amity Hall - *St. Catherine*
- Ebony Park - *Clarendon*
- Yallahs - *St. Thomas*
- Plantain Garden River – *St. Thomas*
- New Forest/Duff House - *Manchester, St. Elizabeth*
- Hill Run - *St. Catherine*
- Spring Plain – *Clarendon*

These Agro Parks have a total of 225 participating farmers with approximately 1,011.38 acres under production. The main crops include sorghum (188 acres reaped to date) and hay (65 acres) for local animal feed substitution; onion, ginger, vegetables, fruits and tubers. Currently, a total of 18,880 bushels of sorghum, 7,200 bales of hay, 120,576 pounds of onions and 830,469 pounds of vegetables, tubers and fruits have been harvested. Along with the 225 farmers, the seven (7) Agro Parks employ 839 labourers. The table below details the land resource available and distribution.

Agro Park	Acres Available	Acreage Leased	Acreage in Prod.
Plantain Garden River (PGR)	290	290	43.73
Yallahs	252	Private	22.5
Amity Hall	2,100	1,400	208.8
Hill Run	300	Private	238
Ebony Park	1400	683	374
Spring Plain	1,149	638	19.8
New Forest/Duff House	779	Private	105
Meylersfield	90	Private	0
Small Ruminant Abattoir	Cluster acreages to be determined	Private	0
Total	6,360	2,756	1,011.83

Source: AIC, 2014

The current employment at the 7 Agro Parks in operation is 1,064 persons.

Agro Parks	# of Farmers	Permanent	Temporary	Total
Plantain Garden	40	40	80	160
Amity Hall	24	35	40	99
Ebony Park	70	113	225	408
Yallahs	20	35	40	95
Hill Run	16	28	7	51
New Forest/Duff	53	75	106	234
Spring Plain	2	8	7	17
Totals	225	334	505	1,064

Source: AIC, 2014

Amity Hall, St. Catherine

1. Access to Land

Amity Hall property consist of 3,200 acres of which 2,100 is designated for the Agro Park

- 1,400 acres have been leased to date
- The remaining lands are designated as wetlands and riparian
- 24 investors currently producing a mix of crops
- One large investor producing sorghum and another producing hay

2. Infrastructure: Overall cost – J\$163.6M

- Clearing main drains – 15,555 m
- Cleaning of internal drains -1,126 m
- Reconstruction of main road – 5.5 km
- Installation of irrigation system -150 acres
- Irrigation control systems – 15
- Land clearing - 950 acres
- Installation of electrical pole lines – 16
- Cleaning & river training to the Black River
- Construction of changing room & bathroom facilities
- Security system - Installation of 4 gates at main entrance/exits

3. Production (293,768 lbs vegetables, condiments, tubers, fruit & cucurbits)

Crops	Pounds (lbs.) Harvested
Sweet Pepper	4,675
Hot Peppers	42,887
Pumpkin	90,101
Cucumber	25,915
Sweet Potato	41,087
Sorrel	10,122
Okra	21,780
Leafy Vegetables	6,446
Tomato	19,128
Cantaloupe	8,475
Watermelon	3,830
Onion	6,253
Papaya	5,754
Other Crops	7,315
Total	293,768 lbs
Sorghum	18,880 bushels
Hay	7,200 bales

4. Planned Production 2014/15

Table 4: Planned Production 2014/2015	
Crop	Acreage
Sorghum	750
Hay	130
Onions	71.5
Pumpkin	58.55
Sweet potato	42.83
Okra	50.17
Hot peppers	30
sweet Pepper	21.69
tomato	12.97
Cucumber	10.51
irish Potato	9.5
Sorrel	11
Melon	7.6
Caster Bean	6
Papaya	6.2
Miscellaneous	40.03
Total	1,258.6

5. Employment

75 currently persons employed (35permanent, 40temporary)

Plantain Garden River (PGR), St. Thomas

1. Access to Land

- Plantain Garden River property consists of 290 acres with 61 active farmers
- 255 acres have been leased to small farmers and 35 acres have been leased to 1 investor who will provide additional post-harvest infrastructure and marketing logistics

2. Infrastructural development: Overall cost - J\$112.4M

- Land clearing- 140 acres
- Clearing of internal drains – 1200m
- Clearing mains drains – 800m
- Farm road construction – 1.5km
- Installation of irrigation systems – 133.4 acres
- Construction of main canal crossing using culvert structure
- Changing room facilities

3. Production to date

Crops	Lbs. Harvested
Pumpkin	31,900 lbs
Ginger	17,733lbs
Onion	18,262 lbs
Cucumber	2,800 lbs
Pepper	800lbs
Irish Potato	200 lbs

Source: AIC, 2014

4. Planned Production 2014/2015

Crop	Acreage
Onion	50
Ginger	20
Scotch bonnet pepper	40
West Indian Red	20
Sweet Potato	50
Pumpkin	40

5. Employment

120 persons employed (40 permanent, 80 temporary)

Ebony Park, Clarendon

1. Access to Land

- Ebony Park property consists of 1,400 acres
- 683 acres have been leased to date with 717 acres remaining
- 75 investors currently producing a mix of crops
- Applicants being processed to allocate 235 acres

2. Infrastructure Development: Overall cost – J\$11.2M

- Irrigation main line – installation of 2,400m of 10” pipes
- Irrigation main line – installation of 770m of 8” pipeline
- Land clearing – 75 acres
- Fencing for office area

6. Production(582,780 lbs vegetables, condiments, tubers, fruit & cucurbits)

Table 6: Production to Date	
Crops	Lbs. Harvested
Onions	22,570
Tomatoes	19,975
Scotch Bonnet	127,990
Hot Peppers	26,220
Sweet Potato	95,140
Water Melon	43,536
Papaya	31,400
Okra	35,020
Cassava	24,900
Pumpkin	58,025
Dasheen	33,500
Cucumber	22,930
Sweet Pepper	14,260
Sorrel	11,230
Other	
Total	582,780

3. Planned Production 2014/2015

Table 7: Planned Production	
Crop	Acreage
Onions	71.5
Pumpkin	58.55
Sweet potato	42.83
Okra	50.17
Hot peppers	30
sweet Pepper	21.69
tomato	12.97
cucumber	10.51
irish Potato	9.5
Sorrel	11
Melon	7.6
Caster Bean	6
Papaya	6.2
String Bean	6
Squash	3.75
Miscellaneous	30.28
Total	378.55

4. Employment: currently 338 persons employed (113 permanent, 225 temporary)

Spring Plain, Clarendon

1. Access to Land

- Spring Plain property consists of 1,149 acres
- 638 acres have been leased to date with 511 acres remaining
- Applicants being processed to allocate 235 acres
- Informal settlers currently occupying sections of property and are in production are to be regularised

2. Infrastructure *(Cost - J\$101,903,398.5 to be funded by the IDB)

*(Irrigation not included)

- Upgrade waterways 1,800 m
- Improve farm access ways 3,400 m
- Installation of irrigation delivery/interconnectivity system
- Site clearance (150 acres)

3. Production

Table: Production		
Crop	Acres	Harvested lbs)
Papaya	3.8	0
Hot pepper (red)	5	4700
Pumpkin	3	0
Sweet potato	2	0
Corn	1	6300
Cassava	1	40
Ginger	0	0
Onion	0.25	0
Escalion	0.5	1550
Plantain	3	30
Sorel	0.25	0
	19.8	10,565

4. Planned Production 2014/2015

Crop	Acreage
Onions	100
Cucurbits	30
Exotic Vegetables	15
Total	145

5. Employment

15 persons employed – 8 permanently and 7 temporarily

Yallahs, St. Thomas

1. Access to Land

All of the lands (252 acres) involved in this Agro Park are privately owned

2. Infrastructural Works - Costs - J\$109,143,929.91 to be funded by IDB

- Farm access ways – 11,000 m
- Rehabilitate access ways – 5,000 m

3. Production to Date

Crops	Acreage
Onion	25
Cabbage	1

Onion is the main crop being produced at Yallahs. At Yallahs, 33,405 kgs (73,491 lbs) onion were harvested to-date from 3 ha (7.4 acres) of a total of 10.5 ha.

4. Production Planned 2014/2015

Crop	Acreage
Onions	40
Sweet Potato	20

5. Employment

Employment created so far is 75 (35 permanent and 40 temporary)

Duff House/New Forest, Manchester

1. Access to Land

- All lands in this project are privately owned
- Total land available is approximately 880 acres

2. Infrastructural Works - costs - J\$111,734,017.06 to be funded by IDB

- Construct grading and packaging/processing facility (60 X 40 ft)
- Upgrade waterways 2,300 m
- Improve farm access ways 8,000 m

3. Production

Crop	Acres	Lbs Harvested
Cabbage	2	16,000
Escallion	103	7,000

4. Production Planned 2014/2015

Crop	Acres
Escallion	200
Thyme	100
Scotch Bonnet	10
Cabbage	5
Tomato (Plummy)	25
Water Melon	40

Employment – currently employ 181 persons (75 permanent and 106 temporary)

Hill Run, St. Catherine

1. Access to Land

All of the lands in this Agro Park are under private tenure

Total land is approximately 300 acres

2. Infrastructure and logistics Cost - J\$133M (J\$33M IDB; J\$100M World Bank JSIF)

- Irrigation water conveyance system to be constructed to supply good quality water in meeting food safety standards in an environmentally sustainable manner. To be implemented on phased basis.
- Marketing and Consumer Sensitization Campaign currently being addressed by ACP
- PPP Marketing collaboration is in progress with construction of mobile Live Sale outlets

3. Planned Production of Tilapia 2014/2015

2014	2015
30	30

4. Employment: currently 35 persons employed (28 permanent and 7 temporary)

Multi-species Abattoir

This intervention is equity financed Private Public Partnership (PPP) through Preference Shares to support the development of a new facility.

- The operational model of the abattoir has essentially been that of a cluster farm concept whereby the proposed abattoir is at the centre of the community where it establishes formal and contractual relationships with producers.
- This will be done through the formation of alliances with farmers' associations that could include Jamaica Pig Farmers Association (JPFA), Jamaica Goat Farmers Association (JGFA) and the Jamaica Sheep Farmers Association (JSFA) which will be vital to the success of this Equity Financed PPP.
- This component is expected to be financed through debt and equity financing.

Current Status

- **Clustering:** Identifying farmers within clusters for partnerships in the targeted parishes of Westmoreland, St. Elizabeth, Hanover and St. James
- **Determining Stock Supplies:** Dialogue commenced with key stakeholders to examine the capacity to supply stock. Stakeholders include Hounslow facility, 4-H, UWI, New Port Genetics, goat, pig and sheep farmers associations
- **Call for Proposals:** Being reviewed by the Bank for no objections along with advertisement template.

Expected Benefits

- Construction of the new abattoir began in February 2012.
- Estimated cost on completion is J\$280M.
- Job creation - direct employment - thirty-two [32] new permanent jobs
- Job creation - indirect employment - six hundred [600] farmers spread across five parishes
- Production – approximately 3 million kilograms of pork & chevon.
- The project will provide a multiplier effect in farming and rural households of at least 1,200 indirect employments and result in foreign exchange savings of US\$11.6 million for Jamaica annually.

Roger Clarke
Minister of Agriculture and Fisheries
16 April 2014